

COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2005-AH- 035

IN THE MATTER OF:
DISCOUNT EQUITY SERVICES

SETTLEMENT AGREEMENT

BACKGROUND AND FACTUAL FINDINGS

1. Discount Equity Services ("Discount") is licensed by the Office of Financial Institutions ("OFI") to conduct the business of a mortgage loan broker at 4350 Brownsboro Road, Suite 110, Louisville, Kentucky, under mortgage loan broker license number 720-B.
2. On May 18, 2005, an examination was conducted into the condition, workings and affairs of Discount in order to determine whether there were any violations of law or any unauthorized unsafe practices or any failure to keep or have correct any required books and records.
3. In the course of the examination it was discovered that Matthew Coleman, President of Discount, had been originating mortgage loans on Kentucky properties without being registered with OFI.
4. As of July 1, 2004, no mortgage loan brokers and no mortgage loan officers may originate mortgage loans in Kentucky unless they are registered with OFI and have been issued a certificate of registration.
5. Discount's use of unregistered mortgage loan originators was a violation of KRS 294.255(1).

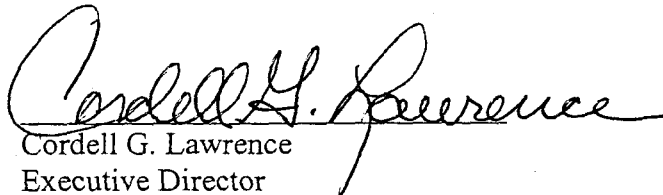
AGREEMENT AND ORDER

The Office of Financial Institutions and Discount, in the interest of economically and efficiently resolving the issues raised in the foregoing Background and Factual Findings, agree as follows:

1. Discount agrees to pay a fine in the amount of one thousand (\$1,000) dollars, which is due immediately.

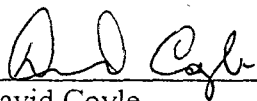
2. The fine shall be made payable to "Kentucky State Treasurer" and mailed to the Office of Financial Institutions, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

IT IS SO ORDERED on this the 3 day of November, 2005.


Cordell G. Lawrence
Executive Director

Consented to:

This 11th day of October, 2005



David Coyle
Director
Division of Financial Institutions
Office of Financial Institutions

Consented to:

This _____ day of October, 2005



Matthew Coleman
President
Discount Equity Services, Inc.